

# The Stream Line

On Kentucky's State Revolving Fund Program

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## Contact Information

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## Disadvantaged Business Enterprise (DBE) Program Information

### Solicitation Tips and Reminders

Because State Revolving Fund money comes from federal and state funds, borrowers must follow Environmental Protection Agency's (EPA) requirements for finding minority business enterprise (MBE/WBE) firms when bidding projects.

Using them not only fulfills EPA requirements, it also strengthens connections between large and small contractors and encourages MBE/WBE growth in your area.

#### The Solicitation Process

The solicitation process can be done through a combination of methods, including newspaper advertisements, mailings, e-mails, faxes and phone calls.

In each method, you should communicate the areas of work in your project, how to obtain information about the project, the time and place to submit qualifications and a contact person.

#### Documentation

You must be able to prove your efforts through documentation in case of an EPA audit.

In addition, all supporting paperwork should be submitted to the Division of Water (DOW) for review. This includes documentation of any unsuccessful negotiations with firms.

#### Tips for Each Method

- Newspaper advertisements should run at least seven days before the

deadline to submit bids and be in the newspaper of largest circulation for your area. Keep the advertisement and tear sheet in your file.

- Mailings: Keep copies of certified letters, returned envelopes and certified mail return receipts and a list of all recipients and their addresses.

- E-mails: Keep copies of e-mails sent, any responses and undeliverable e-mails.

- Faxed letters: Keep copies of the letters, a list of recipients and fax transmission reports.

- Phone calls: Keep a log of who you called, their number, who you spoke with, the date and time, and results of the call.

There is no "magic number" for contacts made, but you must show a good-faith effort in finding MBE/WBE firms. Failure to do so could result in delays, withheld payments and changes in your funding status.

#### Kentucky's Fair Share Goals

Kentucky's goals for MBE/WBE participation are:  
SRF Construction: 3% MBE; 5% WBE  
Equipment: 1.5% MBE; 6.4% WBE  
Services: 4% MBE; 1.8% WBE  
Supplies: 2% MBE; 5% WBE  
(Listed in the Supplemental General Conditions, Attachment 13.)

### Final rule includes new certification requirements

On March 26, 2008, the Environmental Protection Agency (EPA) Office of Small Business Programs (OSBP) (formerly the Office of Small and Disadvantaged Business Utilization) published its final rule, "Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency Financial Assistance Agreements" (DBE Rule) in the *Federal Register* (40 CFR part 30-40). **The final rule will take effect on May 25, 2008.**

Some changes are:

- Creation of the Disadvantaged Business Enterprise (DBE) Program (formerly the Minority Business Enterprise (MBE/WBE) Program).

- Recipients must negotiate fair share objectives with the agency, and now the fair share objectives and supporting documentation must be submitted within 120 days after acceptance of the assistance award.

- The "Six Affirmative Steps" and "Six Positive Efforts" were combined into the "Six Good Faith Efforts."

- Recipients who reported quarterly under the old MBE/WBE program will now report semi-annually.

- **MBEs and WBEs can no longer self-certify. They must be certified by EPA, Small Business Administration (SBA), Department of Transportation (DOT) or by state, local, Tribal or private entities whose certification criteria match EPA's.** (MBEs and WBEs must be certified in order to be counted toward a recipient's MBE/WBE accomplishments.)

The new requirements affect all financial assistance agreements entered into from the effective date of the rule (May 25, 2008). The new DBE rule won't affect those financial assistance agreements entered into before May 25, 2008; those will still operate under the old MBE/WBE program requirements.

For more information, contact EPA's Region 4 MBE/WBE Coordinator Josephine Brown at 404-562-9672 or brown.josephine@epa.gov.

### Agencies That Can Help

Visit the Web sites for SBA ([www.sba.gov](http://www.sba.gov)) and MBDA ([www.mbda.gov](http://www.mbda.gov)) and use their electronic tools. Also contact these agencies to find DBE firms in your area:

#### Debbie McKnight, Branch Manager

Kentucky Procurement Assistance Program  
Cabinet for Economic Development  
E-mail: ced.kpap@ky.gov

#### Melvin Byner, DBE, Branch Manager

Office of Business and Occupational Development  
Kentucky Transportation Cabinet  
E-mail: melvin.byners2@ky.gov

(for projects west of Elizabethtown, Ky.)

#### Henry Snorton, III, VP Business Development

Hopkinsville-Christian County Chamber of Commerce  
Minority Economic Development Committee (MEDC)  
2800 Fort Campbell Boulevard  
Hopkinsville, KY 42240  
E-mail: hsnorton@commercecenter.org



### State of Kentucky

Steven L. Beshear, Governor

### Environmental and Public Protection Cabinet

Robert D. Vance, Secretary

### Department for Environmental Protection

R. Bruce Scott, Commissioner

### Division of Water

Sandy Gruzesky,  
Assistant Director

The *Stream Line* is published quarterly by the Division of Water with state and federal funds. Write the Division of Water, RPPS, 14 Reilly Road, Frankfort, KY 40601 to have your name and e-mail address added to the mailing list or call 502-564-3410, ext. 540, fax your request to 502-564-0111 or e-mail [alison.simpson@ky.gov](mailto:alison.simpson@ky.gov).

The *Environmental and Public Protection Cabinet* does not discriminate on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, religion, disability, ancestry or veteran's status and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, contact the Division of Water, RPPS, 14 Reilly Road, Frankfort, KY 40601 or call 502-564-3410, ext. 540. Hearing- and speech-impaired persons can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TDD). For voice to TDD, call 800-648-6057. For TDD to voice, call 800-648-6056.

# EPA Sustainable Infrastructure Initiative

## The First Pillar: Better Management

(This is the second part of the Sustainable Infrastructure (SI) Initiative series. The first part, featured in the January issue, provided an overall description of the SI Initiative.)

### By Shafiq Amawi

The goal of the SI Initiative is to reduce the funding gap between needs and spending at the federal and local levels so the public can continue to enjoy safe drinking water and adequate sanitary service. Also, through the SI Initiative, the Environmental Protection Agency (EPA) wants to change the way people view, value and manage water and wastewater infrastructure. There are four pillars of the SI Initiative: better management, full cost pricing, water efficiency and watershed approach. This article focuses on better management.

Better management means utilities should adopt a progressive management model that moves beyond compliance to sustainability and improved performance. EPA developed the following focus areas to help utilities make the transition.

**Asset Management** This approach requires utilities to inventory their physical assets (lines, pumps, treatment plants, storage tanks, hydrants, etc), determine their location, condition, useful life, maintenance and replacement schedule, cost of operation and

maintenance, cost of replacement and the potential environmental and monetary impact of infrastructure failure. Using this information, utility managers can prioritize their capital improvement projects and develop a long-term funding plan that allows them to improve their utility's operational, environmental and financial performance.

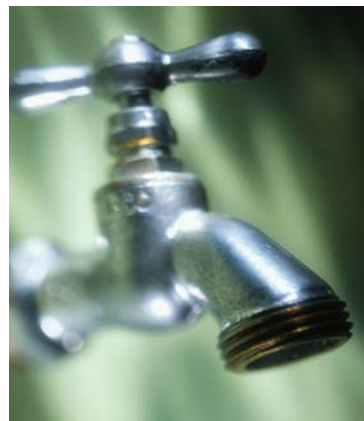
**Environmental Management System** This is a process by which utilities assess their operations and manage them in a way that ensures environmental protection. Utility managers start by identifying their environmental goals, then conduct a comprehensive assessment of their operations and how well they are managing their environmental impact. Managers then develop a strategy to seek improved environmental performance and promote environmental stewardship throughout the utility.

**Capacity Development for Small Drinking Water Systems** According to the Safe Drinking Water Act (SDWA) amendments of 1996, EPA can withhold a portion of a state Drinking Water State Revolving Fund (DWSRF) capitalization grant if the state fails to develop capacity development strategy that includes, at a minimum, the following components:

- Develop a list of drinking water systems most in need of improving their capacity.
- Help these systems improve their technical, managerial and financial capacity by using the authority and resources of the SDWA.
- Establish a baseline to determine how well the strategy is working and how it can be improved.
- Seek public participation to improve water systems' capacity.

The goal of the strategy is to improve water systems' (especially small systems) technical, managerial and financial capacity so they can provide safe drinking water consistently, reliably and economically.

Small systems that typically serve 3,300 people often lack the managerial and financial resources to comply with the rapidly expand-



ing SDWA mandated regulations. EPA recognized this challenge and established the capacity development program to meet this need.

**Energy and Water** Some studies have shown that water and wastewater utilities use three percent of the estimated national energy consumption at a cost of \$4 billion per year. Water and wastewater utility managers should consider adopting EPA's energy/water conservation initiative to help extend the useful life of their infrastructure, reduce environmental impacts and cut operational costs.

By reducing water consumption, water systems will pump fewer gallons, which translates to shorter pump run time, thus reducing energy consumption and the wear and tear associated with longer pump run times. Similarly, a reduction in water consumption typically means the receiving wastewater treatment plant treats less wastewater; therefore, utilities would save on the cost of operating and maintaining lift stations and treatment plants. In addition, utilities would reduce the environmental impact from their operations by discharging less wastewater effluents to receiving streams, cutting their energy consumption and reducing their green gas contributions.

Learn more about the new tools and resources available and view some case studies where some of these approaches and practices have been implemented at [www.epa.gov/waterinfrastructure](http://www.epa.gov/waterinfrastructure).







# Community Spotlight: Carrollton, Kentucky

## Regional plant's service spans four counties, draws new industry

By Alison Simpson

The \$10.8 million Carroll-Gallatin-Owen-Henry Regional Wastewater Treatment Plant that became operational in September 2006 has streamlined sewer services for eight communities in four counties and is expected to be a big factor in area growth over the next 20 years.

Planning for the water utility dates back eight years, when Bill Osborne, general manager of Carrollton Utilities, and Richard Bragg, development planner for the Northern Kentucky Area Development District, met with Gen. James Bickford, then-secretary of the Natural Resources and Environmental Protection Cabinet (now known as the Environmental and Public Protection Cabinet). Discussion revolved around possible alternatives to the proliferation of small package plants serving several communities in the four-county area. At the time, the communities

**"Our goal is to be an award-winning plant."**

of Sparta and Glencoe were contemplating the construction of package sewer treatment plants to serve local residents.

Bickford suggested it was time to think beyond multiple small plants.

Thus was born the idea for the new regional plant, which is located one mile off Interstate 71 between exits 43 and 44 in the midst of hundreds of acres of soybean fields. Osborne said the plant, which serves customers

in Carrollton, Gallatin, Henry and Owen counties, is well positioned to encourage industrial

growth.

"The location of the plant is excellent in that it's close to Campbellsburg and the regional sewer as well as Carrollton," Osborne said. "There's a lot of undeveloped properties in and around the plant, and it's a prime location for industrial development."

The presence of several large industries already in the area helped spur the decision to construct the new plant, said Osborne. North American Stainless, the Kentucky Speedway and BPB (formerly Celotex) had decided to locate there despite the absence of sewer availability.

The plant currently serves the communities of Campbellsburg, Carrollton, Ghent, Glencoe, Prestonsville, Sanders, Sparta and Worthville, but it was designed to anticipate capacity requirements over the next 20 years. The plant has the capacity of treating 1.7 million gallons per day (mgd) with a peak capacity of 4.6 mgd. It includes two deep-cell lagoons with two packed biotowers, two clarifiers and a sludge (biosolids) lagoon.

The old Carrollton plant used outdated rotating biological contactors and experienced chronic problems with meeting toxicity limits. The violations resulted in an agreed order between the

Kentucky Division of Water (DOW) and the city of Carrollton to replace the old plant.

Funding sources for the construction project included:

- Clean Water State Revolving Fund loan administered by the Kentucky Infrastructure Authority (KIA) -- \$4,744,398
- Rural Development Grant -- \$2,000,000
- Community Development Block Grant -- \$1,925,000
- Economic Development Authority Grant -- \$1,500,000
- Congressional Appropriations -- \$700,750

Osborne said the revolving fund process with KIA and DOW was "streamlined" and easy to work with.

Carrollton Utilities has wasted no time in extending public sewer service to more residents in the four-county area. A \$2 million project recently completed provided service to residents in the Happy Hollow development on the Carroll County side of Eagle Creek.

Phase two of that project will provide service to residents on the

Owen County side of Eagle Creek, which has been plagued for years by pollution from failing septic systems and straight pipes. So far, the city has obtained \$200,000 of the \$2.1 million needed to fund the project.

The \$200,000 for the project is part of a Supplemental Environmental Project (SEP) that resulted from a 2005 oil pipeline spill on the Kentucky River. The spill affected a 16-mile stretch of the river in Owen and Carroll counties. The Mid-Valley Pipeline Co. paid a \$1.17 million penalty to the state, plus the SEP. Bluegrass PRIDE, a nonprofit environmental organization selected to manage the SEP, is working with Carrollton Utilities on the Eagle Creek project.

Bragg said the project qualifies for a community development block grant and that he hopes



Photo Credit: Hossein Mehdipour

**A view of the aerated facultative lagoons from the packed biotower**

construction can begin this spring.

Provision of service to industrial customers in Ghent is also anticipated in the near future.

Osborne said community response to the new plant has been very positive. "There has been a lot of community involvement from day one from the cities and counties involved," he said. "We weren't sure how many people would willingly tie on when there is a tap fee, but over 90

percent have connected."

Osborne said treatment results have also been outstanding since the plant went on line.

"From an effluent regard, we've been in complete compliance from day one," he said. Osborne added that the city plans to apply for a DOW plant performance award as soon as the required months of monitoring history have been logged.

"Our goal is to be an award-winning plant," he said.

### The Clarification Process



Photo Credit: Hossein Mehdipour

#### The secondary clarifier

The secondary clarifier (seen here) receives the "mixed liquor" from a previous clarifier (either a lagoon or oxidation ditch). The secondary clarifier allows the liquor to be pumped into the circular metal well (in the center of the photo), allowing less suspended solids at the surface. The solids on the bottom of the basin are collected by rotating rakes. The collected solids flow by gravity to a sludge pump station where they are returned to a lagoon or ditch or are wasted.

**Osborne said the revolving fund process with KIA and DOW was "streamlined" and easy to work with.**



Photo Credit: Hossein Mehdipour

**The pump station at the Carrollton plant.**

# News You Can Use

## 2009 PPL/IUP News

DOW and KIA are completing the Project Priority Lists (PPL) and Intended Use Plans (IUP) for the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) for the state fiscal year 2009, which is July 1, 2008 through June 30, 2009. The remaining tentative schedule for the 2009 PPL/IUPs is as follows:

***\*\*Please note these dates are only tentative and subject to change. Be watching the KIA and DOW Web site for updates.***

- April 28, 2008—Public notice and public comment period begins for both the CWSRF and DWSRF 2009 PPL/IUP drafts. Drafts will be available on the DOW Web site ([www.water.ky.gov](http://www.water.ky.gov)), the DOW office located at 14 Reilly Road, and on the KIA Web site ([www.kia.ky.gov](http://www.kia.ky.gov)).

- May 28, 2008—Public meeting about the 2009 PPL/IUPs for both CWSRF and DWSRF, to be held at KIA.

- July 1, 2008—Both the CWSRF and DWSRF PPL/IUPs are finalized and published.

The 2010 Call for Projects periods for both drinking water and clean water will be opened in mid-October 2008. Watch the DOW Web site for more information.

## Clarification about the SRF Programs

When submitting any information for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF) loan programs, please double-check to be sure you have the right forms for that loan program.

"Clean water" refers to waste water, storm water and non-point source projects. "Drinking water" refers to drinking water projects. On the Kentucky Infrastructure Authority (KIA) Web site, CWSRF loans are known as "Fund A" loans and DWSRF loans are known as "Fund F" loans. KIA's Web site has separate links for each program, as does the Division of Water (DOW) Web site.

Using incorrect forms can hinder you from getting your project into the next funding cycle and can cause slowdowns in the process. If you have questions about this, contact Lola Lyle at DOW at 502-564-3410, ext. 416, or [lola.lyle@ky.gov](mailto:lola.lyle@ky.gov).

## Contact Us!

Do you have an idea or suggestion for a future issue of the *Stream Line*?

Do you know someone who would like to be added to our mailing list?

Contact Lola Lyle at [lola.lyle@ky.gov](mailto:lola.lyle@ky.gov) or Alison Simpson at [alison.simpson@ky.gov](mailto:alison.simpson@ky.gov).

*Please forward this newsletter to others who may be interested!*



## Staff Spotlight

*Each issue of the Stream Line will feature a specific group within the SRF program.*

**Who We Are:** Project Administration Section, Division of Water

**What We Do:** Review state revolving fund loan applications and EPA special appropriations grant applications, review procurement and MBE/WBE documentation for water infrastructure and other related projects, process pay requests, help projects stay on task and within their timelines, answer questions about the program requirements, assist applicants with administrative requirements and closeout procedures and maintain filing.

**How To Contact Us:**

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## Recent SRF Binding Commitments

### February

#### Fund A (Clean Water):

- Paducah McCracken Joint Sewer Agency, \$4,000,000

#### Fund F (Drinking Water):

- Western Fleming Water District, \$2,518,000
- Meade County Water District, \$1,950,949
- City of Berea, \$4,000,000
- City of Frankfort, \$6,841,000
- City of Manchester, \$1,500,000

### March

#### Fund A (Clean Water):

- Loan Assumption, Hardin County Water District, \$3,086,981.51

#### Fund F (Drinking Water):

- City of Hopkinsville, \$4,000,000
- Northern Kentucky Water District, \$4,000,000
- Ohio County Water District, \$3,000,000
- City of Centertown, \$2,101,654